



Consultation response: proposals for navigation boat registration charges 2019 to 2021

7 November 2018

We are the Environment Agency. We protect and improve the environment.

We help people and wildlife adapt to climate change and reduce its impacts, including flooding, drought, sea level rise and coastal erosion.

We improve the quality of our water, land and air by tackling pollution. We work with businesses to help them comply with environmental regulations. A healthy and diverse environment enhances people's lives and contributes to economic growth.

We can't do this alone. We work as part of the Defra group (Department for Environment, Food & Rural Affairs), with the rest of government, local councils, businesses, civil society groups and local communities to create a better place for people and wildlife.

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1. Introduction

In July 2018 the Environment Agency published its consultation on its proposals for navigation boat registration charges for 2019 to 2021. We asked for your views on an increase to our charges for a period of 2 years. During these 2 years we want to work with stakeholders to design and implement a more sustainable long-term funding solution for the navigable waterways we're responsible for.

In this document, we outline how the consultation took place, summarise the responses we received and provide our reply to the key findings. We also confirm our final decision and how we will develop our funding proposals from 2021.

1.1. Background

The Environment Agency is the second largest navigation authority in the UK. We are responsible for managing 1,000km of inland waterways. It's our job to keep them open and safe for a variety of uses, especially for boating.

In total, there are around 29,000 recreational and commercial boats kept or used on the waterways we manage. It's a legal requirement for these boats to register with us. We charge for this. The charge contributes to the cost of managing and maintaining the waterways.

The current cost of the services we provide far exceeds the income we receive from customer charges. Our customers benefit from the services they receive in each waterways area. If we maintain charges at the current level, the quality of maintenance and service we can offer will continue to reduce.

We are working hard to reduce our costs through efficiencies and maximising our income through other commercial opportunities. We know we also need to review our regulatory approach and our charging scheme. We are committed to making sure our charges are fair and transparent, and more closely reflect the true cost of the services we provide for our customers' benefit.

2. About the consultation

The consultation ran for 6 weeks from 19 July 2018 to 30 August 2018. The consultation was hosted on GOV.UK and was open to anybody to take part. We also provided a response form to complete which people could return by email or post. We asked for approval to consult from HM Treasury and the Secretary of State for Environment, Food and Rural Affairs. We ran the consultation in line with our legal requirements to consult and Cabinet Office's 'Consultation Principles' guidelines.

We invited the elected member representatives sitting on the following Environment Agency waterway user advisory committees to respond:

- National Navigation Users Forum
- Thames Navigation Users Forum
- Anglian Waterways Group
- Medway River Users Association

They collectively represent the majority of UK leisure and trade boating organisations active on our waterways. We asked these members to share the opportunity to respond to the consultation widely within their organisations and beyond.

We also:

- issued a media release to boating trade and local print publications
- used social media - we posted to Twitter and Facebook regularly throughout the consultation period
- issued briefing notes to MPs with Environment Agency waterways in their constituencies
- directly communicated with local river-based businesses by email
- directly communicated with other key navigation authorities by email and by telephone
- used a link to the consultation as a footer in the emails from our boat registration team's email account (boatreg@environment-agency.gov.uk); our waterways/navigation team members also did this
- inserted a flyer with all boat registrations issued during the consultation period
- issued an article in Canal & River Trust (CRT) newsletter to target Gold Licence customers
- sent reminders to user advisory committee members towards the end of the consultation period
- continually reviewed the responses throughout the consultation period - where there were limited responses from some waterways or user groups we approached them directly to encourage engagement in these areas

3. Overview of responses

In total we received 441 responses. 431 through the online consultation tool and 10 by email (these were not duplicates of an online response).

39 responses were made on behalf of an organisation or group. There is a list of organisations and groups that declared their participation in the consultation in Annex 2.

The responses covered a good cross section of organisations which represented a range of private and commercial interests and individual customers.

4. Key findings from the consultation

The majority of respondents did not agree with the level of increase we proposed. They felt the current charges they pay are too high for the service they receive and that any increase should relate to the rate of inflation. Of particular concern was the variation of the charge increases across each of the waterways. Upper Medway and Anglian Waterways' respondents disagreed the most as they would incur a higher increase than the River Thames.

Respondents were clear that they did not want a decrease in the services currently provided. Some felt current services do not meet expectations. Some said they wanted the current service to be maintained whilst others indicated an improvement in service should result from an increase in charges. A clear majority of respondents believe that the registration charge is a significant proportion of the total cost of boat ownership.

There was also concern that the costs of managing the waterways are only being passed on to boaters and not the many other types of users which benefit from the waterways. There was a strong sense from respondents that government should provide more funding for waterways to allow them to be properly managed and maintained for the country.

The services most valued by respondents are those that contribute to the maintenance of a navigable waterway, such as channel dredging and vegetation management. There was also support for increased compliance checks, suggesting a perception that a significant number of boaters are not paying their registration charges.

A small number of respondents expressed concern that the level of increase might cause them to lose their home or business. A number of respondents stated they would consider leaving Environment Agency waterways as a result of the proposed charge increase. However, the majority were either undecided or would continue to use Environment Agency waterways. Responses also expressed views that our charges would lead to a decline in participation and force people to give up boating.

5. Summary of the key themes and our response

This section explains the main themes raised from the consultation and the Environment Agency's response to each. We grouped responses into key themes and have provided our response to each. See Annex 1 for more detailed information.

5.1. Level of proposed charge increase and impact on boating

Consultees told us

The majority of respondents said they did not agree with the level of increase we proposed, many suggesting it should be linked to inflation or the consumer price index (CPI).

A number of responses suggested that charges are already too high resulting in some boaters not being able to afford the increase. This could force them to leave Environment Agency waterways. A few expressed concern that the increase may mean they would lose their home, where their boat is their residence. The boating trade raised concerns about the impact of increasing charges on participation and boating businesses or businesses supporting boating.

Our response

We understand that increasing our charges will not be welcomed by many customers, as the costs of boat ownership can be high. However, each of our waterways currently receives significantly less income from boat registration charges than we spend on the services those charges should pay for. We need to reduce our dependency on grant-in-aid support from government and work towards creating a sustainable service where customers pay the right charge for the services on offer to them.

We have looked carefully at the income and costs of running the navigation service for each of the waterways. We are increasing our charges by the minimum necessary to sustain the levels of service customers tell us they expect. If we reduce the charges increase, unfortunately the standard of service we provide would reduce further - we don't think customers would accept this. It could also lead to boats leaving Environment Agency waterways, especially if some parts of our waterways become unusable.

Looking further ahead, we will work with our user representative groups to understand the impact of proposals from 2021 on businesses, homes and participation.

5.2. Quality of service and facilities

Consultees told us

Respondents expressed the following opinions:

- dissatisfaction with the poor level of service they currently receive and that charges should be reduced to reflect this
- desire for no further decrease in the service provided
- an increase in level of service provided if charges increase

Respondents provided valuable feedback on the services they feel are the most and least important to them.

The most important services were:

- channel dredging
- drinking water supply
- compliance and enforcement checks
- assisted passage (staff to operate locks)
- tree and vegetation management

The least important services were:

- canoe portage
- car parking
- electric hook up
- slipways

Our response

We know our navigation service is really important to our boating customers. We strive to give the best possible service we can from the income we receive - from boat registration, mooring and other local income as well as the allocation of government grant-in-aid.

There has been considerable pressure on public spending for many years. This means our grant-in-aid allocation has reduced over time. Our income is also dependent on the number of boats that register on each waterway. We have to balance the income we receive from each of these with the services we provide on that waterway. With a reduced income we have to prioritise the work we do. This has unfortunately meant a reduction in some of the services we provide. Particularly on the waterways with fewer boats. We cannot transfer funding from one waterway to another so services on waterways with fewer boats will continue to be under strain.

We do not want to reduce or stop any of the services we offer. We would like to improve them. Our priority now is to carefully review what services we do offer on each of our waterways and understand from this consultation what customers value and what they are prepared to pay for them.

We are also, as a priority, looking at options on how best to manage our waterways beyond 2021. For example, we will look at all the other possible sources of income that could support our service into the future.

5.3. Alternative funding and efficiencies

Consultees told us

Many respondents felt that we are inefficient and are not business-like. Some felt we have too many managers and back office staff and that resource should be focused more on front line operations. They asked us to review and improve internal efficiencies before passing costs onto the boaters.

Many also said we should look at alternative ways to fund the service and gave useful suggestions and ideas of how we could do this.

Our response

We are committed to making sure our organisation is as efficient as possible. We have made a number of efficiencies in recent years across the organisation. In 2014 to 2015 we rationalised from a 'three tier' to a 'two tier' body by removing regions. This left just national and area management layers. We have also reduced back office staff by 30% since 2010. Senior management has reduced by 29% and now represent around 1% of all staff. In 2017 we transferred our corporate services activity (finance, procurement, communications, human resources, facilities, commercial and corporate information services) and around 1000 staff to Defra.

In navigation specifically, our budgets are under increasing pressure. Therefore it is really important for us to continually review our operations and make efficiencies where we can to reduce our costs. Some recent examples of this include:

1. We use more volunteers than ever before to support the front line service.
2. We did a successful trial in 2018 to streamline the boat registration renewal process for Upper Medway customers. A move to dedicated call handlers and simpler renewal documents cut the end-to-end process time from 22 to 13 minutes. This is now being rolled out across our other waterways starting with River Thames renewals this month.
3. We maximise our asset inspection and maintenance activities at sites which benefit both waterways and flood and coastal risk management.
4. We are developing partnerships to deliver our objectives, for example the Nenescape Landscape Partnership Scheme, improving access and visitor information on the River Nene.

We know we need to do more than this. We need to work towards a sustainable funding position for our waterways. We recognise there is not one answer. We need to seek alternative funding and maximise commercial opportunities to help fund navigation services. We need government's support to do this.

This is a top priority for us. To illustrate our commitment to this, we have recently created a dedicated future funding team. The aim is to achieve greater efficiency in the way we design our funding and seek new sources of income. The existing national navigation team will move into this team in early 2019. There will also be a new, small team tasked with developing commercial opportunities for the whole of the Environment Agency. Both teams will sit under one Deputy Director.

5.4. Compliance and enforcement

Consultees told us

A large number of respondents are concerned that some boaters do not pay their registration charges. They felt that if compliance checks were more effective, we would receive all of the income we are due from boat registration and so would not need to increase charges.

Some respondents also suggested more effective enforcement is needed to deal with:

- sunken or abandoned boats
- boats staying too long on public short-stay moorings
- boats exceeding the speed limit

Our response

We make boat registration checks a very high priority. Our officers do regular enforcement and compliance checks throughout the year, including weekends. They cover all parts of our waterways, including marinas, boat yards and boat clubs. We can confirm that many of the boats reported to us as not registered are registered, but they're not displaying a registration plate as required - this is something we need to raise with our customer representatives. We have evidence that the compliance rate on the main rivers is 95% - 98%. Compliance in some marinas is not as high. Our officers are now working on a plan to increase the compliance rate in marinas.

We prioritise other routine enforcement activity, such as checking speed and wash, within our resources and report our activity in detail to our waterway user advisory committees. We have a number of enforcement options including enforcement notices, warning letters, prosecution and removal of the boat from the waterway. We can only take enforcement action when an offence is committed.

We aim to take appropriate action on boaters who moor without consent on our land. We provide advice and guidance to landowners and mooring operators on non-compliant moorings so they can manage the issue themselves.

If our officers see unsafe behaviour, especially if it puts lives in danger, they will take action. They also work closely with and support others, such as police forces and local councils, to tackle offences for which they are the enforcement authority - such as criminal behaviour, littering and other anti-social activities.

5.5. Funding contribution from government

Consultees told us

A significant number of those responding were clear that central government should provide an appropriate level of funding. This should reflect the importance of our waterways and their status as a national treasure. They provide a range of benefits for everybody. There was also a strong feeling that local councils should provide funding for waterways because of the commercial and tourism benefits that boaters bring to the local economy and community.

Our response

We recognise that Defra, like all government departments, has had to find savings to its overall budgets and to make efficiencies. This is in line with the public spending policy. The result is that decisions have had to be made on where to prioritise the allocation of available funding.

We will continue to seek financial support to help us maintain the condition of our navigation assets but expect that grant-in-aid funding will continue to be under pressure. We understand government expects us to work towards securing other funding sources to make the management of our waterways financially sustainable. How we do this is the top priority for us.

5.6. Charges scheme/legislation

Consultees told us

There were a number of comments suggesting we should change our legislation to allow us to charge differently, offer more flexible registration options and make registration easily accessible. Some also suggested charges for some types of boat are currently too low and should be reviewed to make sure they are contributing the right amount.

Our response

We recognise our charges scheme has not been reviewed for many years. That's why we are currently reviewing it as part of our Strategic Review of Navigation Charges. We aim to simplify our charges scheme, introducing consistency where it makes sense to do so, and making it easier for our customers to understand and our staff to apply. We are committed to making sure our charges are fair and transparent, and more closely reflect the true cost of the service we provide for our different customers. We will engage with user representative groups and customers during the review to help shape our proposals. We will also use the feedback from this consultation as well as from other recent consultations. This review will also identify where changes may be needed to be made to our legislation.

5.7. All who benefit should pay

Consultees told us

Respondents were clear that everybody who benefits from our waterways should contribute to the cost of their management and maintenance. There was a strong feeling that we currently only look to boaters to foot the bill, when thousands of other people enjoy the waterways for many other leisure pursuits. The consultation also flagged views that those who profit commercially should pay substantially more, for example the water companies that are reliant upon our activity to provide drinking water supplies.

Our response

We fully appreciate the attraction of healthy waterways and the range of benefits they bring to everybody who enjoys them; waterways can and do contribute to wellbeing and quality of life.

We already charge customers who benefit directly from the activities we carry out where we have the legal ability to do so. But putting a value on all recreational and other benefits and seeking new powers to charge for them is new and complex work that we need time to explore properly.

We will need to work with government to amend legislation and discuss contributions for the public benefits our waterways provide. In particular, we are reviewing the funding we currently receive from water abstraction charges. We want to ensure the benefits of the operational work we do to support water abstraction is properly recognised.

We know our boating customers are keen for us to do more to secure revenue from all those who benefit from the waterways. We intend all of our project work to boost the income we receive from sources other than our boating customers, whether in the short, medium or long term.

5.8. Consultation

Consultees told us

Some respondents told us the consultation was not well designed. Some also reported technical issues with accessing and completing the consultation on mobile devices. A significant number of comments related to issues with completing question 12.

Respondents were asked to rank a list of 16 services in order of value to them. We also received some useful suggestions on how the consultation in general could be improved.

Our response

The consultation was hosted on the Defra approved consultation tool - Citizen Space. We ran the consultation in line with the guidance set out in the government's Consultation Principles. See the detail on GOV.UK:

<https://www.gov.uk/government/publications/consultation-principles-guidance>

We will review the valuable feedback we received on the consultation tool. Particularly on the design and how accessible it was. We will use this to help us improve our navigation consultations in the future. We will also pass these comments to the developers of Citizen Space who always welcome feedback on how they can improve their service.

We recognise that question 12 may have been difficult to complete. We designed it to try and get a true sense of which services boaters valued the most. This meant respondents could not give the same ranking to more than one service. We will look at how we can do this differently in the future.

6. Outcome and next steps

We reviewed all the responses we received from this consultation before we decided on our final recommendation for navigation boat registration charges for 2019 to 2021.

Although the majority of respondents did not agree with the level of increase we proposed, they were very clear they did not want to see any decrease in service levels. And some respondents felt the service is not currently meeting expectations. Operational costs are rising so we can only maintain service levels if our overall funding position improves. After careful consideration, we will implement the increases we proposed. Our Directors are clear that if we do not, the level of service and maintenance will decline, with the possible risk of some stretches of waterways becoming unnavigable. This will not be acceptable to boating customers. The decision to increase charges is supported by our Board and we have received authorisation from the Secretary of State for Environment, Food and Rural Affairs.

Respondents were also clear we should not just look to boaters to recover the full cost of the services our navigation teams provide - we should find other ways of making our funding sustainable. We agree. We want to get a clearer understanding of the cost of the navigation service from which boaters benefit against the wider services others benefit from. We are committed to making sure our charges are fair and transparent, and more closely reflect the true cost of the service we provide for our different customers. We will now focus on this aspect as part of our work towards achieving a sustainable funding position. We will consult on this.

We value how well the boating community engages with us. We will actively consider all issues that are raised as we develop our longer-term funding strategy. We aim to explore how we can be a more efficient and business-like organisation, seeking partnerships where possible. This will enable a fair cost effective service to be implemented in the future.

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